

State Employee Benefits Advisory Council Meeting
June 20, 2013
Statewide Benefits Office
Dover, Delaware

The State Employee Benefits Advisory Council met on June 20, 2013 in the Statewide Benefits Office, 500 W. Loockerman St., Suite 320, Dover, Delaware. The following Council members and guests were present:

Faith Rentz, OMB, SW Benefits,
Deputy Director
Pat Griffin, Chair, SEBAC, AOC
Marsha Carson, SEBAC, DOS

Mary Cooke, SEBAC, DOE
David Wright, SEBAC, DSEA
Dave Leiter, DHSS
Paula Roy, Roy Assoc.

Ms. Griffin called the meeting to order at 3:12 p.m.

Approval of Minutes – (handout)

Ms. Griffin asked for a motion for approval of the March 21, 2013 minutes. Ms. Cooke made the motion and Ms. Carson seconded the motion. Upon unanimous voice vote the minutes were approved.

Update of SEBC Activities

Ms. Rentz briefly discussed the March SEBC meetings, which included the reserve discussion and that no action was taken by the SEBC. Also shared with SEBC was the accounting error in the reserve amount on the Fund Equity Report. Ms. Griffin mentioned SEBAC's comment about transferring interest income back to the health fund.

Ms. Rentz reviewed recent updates regarding the Highmark transition since the March SEBC meeting. The actual system transition occurred the weekend of May 19, 2013. There have been some glitches which are still being worked through with Highmark for resolution and include the incorrect mailing of some Coordination of Benefit and Pre-Existing Condition letters. There are also some issues with incorrect information on identification cards.

Ms. Rentz reviewed the SEBC agenda for the June 21, 2013 meeting. Items under the Director's Report were reviewed. Open Enrollment ended May 29th. Of 35,614 state employees, approximately 9,000 employees logged on to e-benefits to make changes or view their benefits. The Statewide Benefits Office handled over 3,000 calls for e-benefits access, password resets or coordination of benefits questions. The Pension Office had 10,100 calls and 900 walk-ins. Further statistics will be presented in the July SEBC meeting.

Concerning the COBRA/HIPAA Request for Proposal, there were four bids received. Scoring will take place in July. A recommendation will be brought to the SEBC in July or August.

As part of the Group Health Financial Reporting, the March, April and May 2013 Fund Equity reports were reviewed with the group. It was explained that the reason for the decrease in fund balance is due to five weekly payments to Highmark and Express Scripts. There were no questions regarding the third quarter FY13 financials. Performance was as expected.

Budget/Legislative Update will include discussion of House Bill 75. Ms. Rentz explained that to be in compliance with House Bill 75, which allows same gender marriage in Delaware and is effective July 1, 2013, language needs to be added in the Group Health Insurance Program Eligibility and Enrollment Rules. Chairwoman Visalli will also mention to the SEBC that the security monitoring put into place following the release of Pensioner's sensitive information in 2010 will expire in the next several months.

Health Care Reform Updates include two items. Ms. Rentz stated that as a plan sponsor of a self-insured health plan, the State Group Health Insurance Plan must pay the first annual Patient-Centered Outcomes Research Institute (PCORI) fee by July 31, 2013 for the plan year ending in June 30, 2013. The annual fee of \$1.00 per member for this year totaling approximately \$117,000 and will accompany the filing of the IRS Form 720.

Regulations related to the Employer Shared Responsibility Penalty for the ACA were released in January. Compliance for our plan will be effective as of the start of our plan year on July 1, 2014. As a result of these regulations, OMB has been reviewing the composition of our workforce to ensure compliance with the regulations to offer at least the minimum essential and affordable coverage to full-time employees. As we perform the analysis, we are working with agencies and schools regarding their variable hour employees to determine their status. Any impacts of this analysis related to employee benefits will be discussed with the Committee in the coming months.

SEBAC Comments to SEBC

None.

Public Comment

None.

Ms. Griffin advised that SEBAC will meet next on July 18, 2013, and asked for a motion to adjourn. Ms. Carson made the motion and Mr. Wright seconded the motion. Upon a unanimous verbal approval, the meeting adjourned at 4:29 p.m.

Respectfully submitted,

Dawn M. Davis
Secretary
Statewide Benefits, OMB